

David S. Musgrave, VSB No. 35327
Gordon Feinblatt LLC
233 East Redwood Street
Baltimore, Maryland 21202
(410) 576-4194
dmusgrave@gfirlaw.com
Attorneys for Trustee Kevin R. McCarthy

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
(Alexandria)**

| | | |
|--------------------------|---|-----------------------|
| In re: |) | |
| |) | |
| FEDERAL BUSINESS SYSTEMS |) | Case No. 17-12128-BFK |
| CORPORATION GOVERNMENT |) | |
| DIVISION |) | Chapter 7 |
| |) | |
| Debtor |) | |
| <hr/> | | |

**TRUSTEE'S NOTICE OF INTENTION TO COMPROMISE, NOTICE
OF HEARING, AND NOTICE OF OPPORTUNITY TO OBJECT**
(Rose A. Osamba)

PLEASE TAKE NOTICE that Kevin R. McCarthy, Chapter 7 Trustee (the "Trustee"), has filed a motion (the "Motion") seeking court approval of a Settlement Agreement between the Trustee and Rose A. Osamba ("Osamba"). Material terms of the Settlement Agreement, a copy of which is attached to the motion as Exhibit A, include the following:

- (a) Osamba will pay the Trustee \$50,000.00 to settle the Trustee's claims;
- (b) After the Trustee receives the \$50,000.00 settlement payment, the Trustee, on behalf of the bankruptcy estate, shall release all claims against Osamba arising under Chapter 5 of the Bankruptcy Code;
- (c) Osamba releases her proof of claim (Claim No. 16) and all claims against the Trustee, his agents, and the bankruptcy estate under Section 502(h) of the Bankruptcy Code with respect to the \$50,000.00 settlement payment; and
- (d) After the Trustee receives the \$50,000.00 settlement payment, the Trustee and Osamba shall cause dismissal with prejudice of the Trustee's Second Amended Complaint to Avoid and Recover Preferential Transfers, Fraudulent Transfers and Post-Petition Transfers in McCarthy v. Rose A. Osamba, A.P. No. 19-01068 (the "Adversary Proceeding").

The Trustee brought the Adversary Proceeding against Osamba to set aside and recover transfers totaling \$361,123.70 ("the Transfers") from the Debtor to Osamba. In his Complaint, the

Trustee alleged that the Transfers were preferential transfers, fraudulent transfers, and post-petition transfers recoverable from Osamba under 11 U.S.C. §§ 547, 548, 549 and 550. The Transfers that the Trustee sought to recover consist mainly of purported salary payments received by Osamba from Appaloosa International Capital Group LLC (an affiliated entity), purported salary payments by the Debtor to Osamba and substantial post-petition payments received by Osamba. Osamba has raised defenses to the Complaint, some of which may have merit. The proposed compromise will avoid the expense and uncertainty of litigation. Moreover, Osamba has provided financial information to the Trustee that shows an inability to satisfy the full amount of the Trustee's claim. Thus, while the Trustee believes that his claims against Osamba have merit, the Trustee believes that the \$50,000.00 settlement payment is reasonable in light of Osamba's financial condition and the defenses she has raised to the Trustee's allegations. The Trustee's business judgment is that the proposed compromise is in the best interests of the estate and should be approved by the Court.

HEARING: A hearing shall be held on the Motion at 9:30 a.m. on April 28, 2020 in Courtroom I of the U.S. Bankruptcy Court, 200 S. Washington Street, Alexandria, VA 22314-5405.

YOUR RIGHTS MAY BE AFFECTED. You should read this notice carefully and discuss it with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one.)

If you do not wish the court to grant the relief sought in the Motion, or if you want the court to consider your views on the Motion, then by **April 21, 2020** you or your attorney must do the following checked items:

[X] File with the court, at the address shown below, a written response with supporting memorandum as required by Local Bankruptcy Rule 9013-1(H). **Unless a written response and supporting memorandum are filed and served by the date specified, the Court may deem any opposition waived, treat the Motion as conceded, and issue an order granting the requested relief without further notice or hearing.** If you mail your response to the court for filing, you must mail it early enough so the court will **receive** it on or before the date stated above. The address for the court is as follows:

Clerk of the Court
United States Bankruptcy Court
200 South Washington Street
Alexandria, Virginia 22314

[X] You must also attend the hearing on the Motion on April 28, 2020 at 9:30 a.m. in Courtroom I of the U.S. Bankruptcy Court, 200 S. Washington Street, Alexandria, VA 22314-5405.

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Motion and may enter an order granting that relief.

Date of Mailing: 4/7/2020

/s/ David S. Musgrave

David S. Musgrave (Bar No. 35327)

Gordon Feinblatt LLC

233 East Redwood Street

Baltimore, Maryland 21202

Phone No. (410) 576-4194

E-mail: dmusgrave@gfrlaw.com

Attorneys for Kevin R. McCarthy, Chapter 7 Trustee

CERTIFICATE OF SERVICE

I certify that on the 7th day of April, 2020, I served a copy of the foregoing through the court's CM/ECF system on all registered CM/ECF participants who have appeared in this case and by first-class mail, postage prepaid, on the parties listed on the attached mailing matrix.

/s/ David S. Musgrave

David S. Musgrave (Bar No. 35327)